

## PROJECT OVERSIGHT REPORT

Human Resource Management System (HRMS)  
Department of Personnel

Report as of Date:  
August 2004

**Project Manager:** Brian Turner  
**Project Director:** Tom Miller  
**Executive Sponsor:** Gene Matt

**MOSTD Staff:** Tom Parma

**Severity/Risk Rating:** High (high severity, high risk)

**Oversight:** Level 3 – ISB

**Staff Recommendations:** ISB staff recommends that DOP take immediate steps to mitigate the replacement of the prime contactor/integrator's (Accenture) project manager and the loss of other key Accenture personnel.

ISB staff recommends that DOP continue to monitor the impacts of the resource assignments to adequately cover both HRMS and legacy system activities.

ISB staff recommends that DOP continue to monitor the allocation of project staff supporting agency readiness. DOP should also continue to search for additional personnel that can be added to the project to assist in these efforts.

Staff recommends that DOP address recommendation #22 included in the July 31st quality assurance report. The recommendation states: "Ensure core agencies are involved as early as possible in test script development and testing, verification and validation of test results for interfaces and application configurations."

ISB staff has no additional recommendations related to the budget or scope variances other than the mitigation steps currently underway and stated below.

### Variances:

- Schedule: The tasks on the critical path continue to be 2.5 weeks late (see risk #1 below). There are additional incomplete lower priority tasks (i.e., non-critical path) that cause the overall schedule to be 4 weeks late.

Key DOP subject matter experts' time is split between HRMS tasks and activities related to project-required legacy system (Pay1) modifications. The original resource plan had little time allocated to Pay1 tasks.

Project staff is spending considerably more time than originally allocated to help agencies plan for conversion and interface activities. This is the same staff responsible for assessing agency readiness and developing the training plan.

These resource issues contribute to the schedule variance.

- Budget/Cost: Although the project to date budget as of July shows a positive variance of \$71,700, there is an anticipated future negative variance. DIS implementation costs may be \$1 million larger than budgeted. Also, DIS operational charges are projected to be \$1.5 million per year larger than the original budgeted amount (see Risk #7 below). DOP and DIS are working to determine the size of the variance as well as any alternative approaches.
- Scope: Two change requests have been submitted as a result of two separate agencies' requirements. One change request has been approved and there are no significant impacts

to the schedule or budget. The second is under consideration and has been estimated to take 132 days for the requesting agency to make modification to their system. The HRMS impact is unknown at this time. This could impact the requesting agency's readiness for deployment.

- Resources: Accenture has announced their project manager is leaving. The replacement manager is new to the project. This is the fourth key Accenture person that has left the project since June. Not all have been backfilled.

### **Risks/Mitigation Tasks:**

The following items are listed in the project manager's top issues report dated 8/25/2004:

#### **1. Schedule variance, staffing, and morale**

The project has been unable to reduce the 2.5-week critical path schedule variance; configuration and testing are late. System test cycle #1 and mock conversion #1 are both 2.5 weeks late. Either of these could cause the beginning of system test cycle #4 (interfaces) to be delayed. The financials configuration is 4 weeks behind schedule. If not mitigated, it could cause system test cycles 2, 3, and 4 to be delayed. The project is planning to run system test cycles 3 and 4 concurrently to mitigate this variance.

Accenture's project manager is leaving the project.

#### Mitigation Tasks

- Determine schedule variance from system test, reporting, and data conversion (*Complete*)
- Determine new system test schedule (*Complete*)
- Determine resources required vs. resources already on the team (*In process*)
- Bring team of additional agency testers up to speed to increase the capacity of the test team (*Complete – more will be added for cycle 3*)
- Adjust Cycle 4 (interfaces) system test schedule to account for current project and agency status (*In process*)
- Identify future likely schedule risks (*In process*)
- Determine impact on December go-live date (*In process*)
- Identify ways to relieve stress on functional team (*In process*)

#### **2. Increase project team's responsiveness to agency issues**

#### Mitigation Tasks

- Inventory agency issues (*Complete*)
- Prioritize agency issues (*On going*)
- Publish agency issues log (*On going*)
- Work the high priority issues (*On going*)
- Schedule frequent meetings with agencies and the project (conference calls, meetings, etc.) to close issues (*On going*)
- Add staff to the RICEF team focused on agency issues (*In process*)
- Publish value mapping documentation to requesting agencies (*In process*)

#### **3. Pay1's (legacy system) ability to support HRMS Release 1 roll-out approach**

The current payroll program (Pay1) must be modified to support the transition to the new HRMS.

#### Mitigation Tasks

- Document Pay1 issues and assigned due dates *(Complete)*
- Form work group to resolve Pay1 issues *(Complete)*
- Test Pay1's ability to remove agencies from payroll *(Complete)*
- Resolve specific Pay1 issues *(Complete)*
- Cost out how much effort/money it would take to modify Pay1 for HRMS *(Complete)*
- Develop alternatives to reduce scope and cost *(Complete)*
- Insert an experienced project manager into team to help drive out a workplan/deliverable schedule and get the team moving *(Complete)*
- Launch the work *(Complete)*
- Monitor the work *(In process)*
- Resolve personnel issue within the team (number of contractors needed, staff's ability to complete assignments) *(Complete)*
- Provide details on the HRMS testing approach to the Pay1 team *(In process)*

#### 4. Financial configuration approach

Portions of SAP financials must be configured in order to support the payroll process and the interface to the state's financial system, AFRS.

#### Mitigation Tasks

- Confirm requirements *(In process)*
- Confirm general design *(In process)*
- Confirm estimate of effort and schedule *(In process)*
- Launch detailed design, configuration, and unit test efforts *(In process)*
- Support interface team with financial configuration details *(In process)*
- Publish revised schedule for completion and impact on system test scheduling *(Pending)*

#### 5. Prepare agencies for the impact of the first round of data cleanup work

#### Mitigation Tasks

- Communicate to agencies that they need to begin organizing their cleanup activities immediately *(Complete)*
- Publish list of edits in the conversion programs that will trigger data cleanup, prioritize the list items into "mission-critical", high, medium, or low based on their impact on SAP's ability to pay people correctly *(Complete)*
- Conduct 1st mock conversion and produce data cleanup reports with prioritized data cleanup needs *(Complete)*
- Send communication out to all agencies on the results of mock #1 *(Complete)*
- Conduct data cleanup workshop to explain use of reports *(Complete)*
- Modify conversion programs to give more accurate statistics on data errors *(In process)*
- Address conversion programming errors found in Mock 1 *(In process)*
- Run Mock 2 *(In process)*

#### 6. DIS/DOP's ability to support the system

#### Mitigation Tasks

- Identify a resource/skills gap with DOP/DIS resources *(Complete)*
- Request DIS meet FTE requirements for production build *(Complete)*
- Require DIS to conduct a skills assessment *(Complete)*
- Change assumptions regarding system basis role and secure DIS agreements *(In process)*

- Change resources to fill the gap (*In process*)
- Monitor DIS/DOP productivity closely (*In process*)

7. SAP's ability to troubleshoot HRMS problems remotely

Mitigation Tasks

- Work with Microsoft and Accenture to develop options (*Complete*)
- Present approach for remote access to DIS (*Complete*)
- Provide DIS contact names to see how other clients are dealing with it (*Complete*)
- Get DIS feedback and negotiate agreement (*Complete*)
- Determine if policy exception is required and pursue (*Not required*)
- Develop backup plan to get immediate configuration issues resolved (*Complete*)
- Test viability of Citrix as alternative solution (*Complete*)
- Determine viability with SAP (*In process*)
- Finalize approach with DIS (*In process*)

8. Cost of DIS services significantly exceed original budget

Mitigation Tasks

- Forecast full DIS charges through project's end (*Complete*)
- Receive itemized breakdown of DIS charges (*Complete*)
- Begin working with DIS to find ways to reduce cost of their services (*In process*)
- Explore other budgetary options (*Pending*)

## Background Information

**Description:** The Personnel System Reform Act of 2002 (SHB1268) necessitates extensive changes to Washington State's Civil Service System. SHB1268 establishes a January 1, 2005 deadline to begin implementation of a new classification system, Civil Service Reform (CSR), and a July 1, 2005 deadline for implementation of the first Collective Bargaining (CB) agreements. By these dates, DOP's HRMS must be able to support the functionality required by the act. DOP is responsible for civil service reform and OFM is responsible for collective bargaining.

DOP's systems support over 65,000 state employees and over 2,000 authorized system users. The systems are over 25 years old, technically complex, costly to modify, and lack the functionality and flexibility to support modern HR practices and many of the anticipated requirements for CSR/CB. The existing systems also support over 200 interfaces to other state and external systems.

DOP/OFM presented the findings of their feasibility study and received approval from the Board at the January 2003 meeting to proceed with the acquisition of integration services, software, and hardware to begin replacing the existing HRIS system. The RFP was released on April 16, 2003 and responses were due May 19, 2003. Two vendors submitted proposals, the team of Accenture/SAP and the team of IBM/PeopleSoft. Both continued through to announcement of the Apparently Successful Vendor (ASV). Demonstrations and presentations were conducted the week of June 9<sup>th</sup>. Best and final offers were due June 30, 2003. Accenture/SAP was named the ASV on July 7, 2003.

The major project phases are:

- Release I – Implement core payroll functionality required to support CSR/CB.
  - Group 1 – agencies not subject to Collective Bargaining.

- Group 2 – remaining agencies.
- Releases II & III – Implement additional HR functionality (recruitment, training, and performance evaluation) and time reporting.

**Technology:** The proposed technology is:

- SAP's core ERP product, R/3
- SAP's data warehouse product, Business Warehouse
- Microsoft Windows OS
- Microsoft SQL Server DBMS
- Hewlett-Packard Proliant servers
- Accenture implementation services

**Budget:** The budget for the 03-05 Biennium authorizes DOP to enter into a financing contract for up to \$32 million (later raised to \$39 million during the 2004 legislative session), not including interest, for not more than 12 years to purchase, develop, and implement the new HRMS. The legislature also allocated an additional \$10 million from DIS rebates to the project.